

Pers. Sec.

Central Intelligence Agency



Washington, D.C. 20505

DDA Registry

84-1723

02 JUL 1984

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I am writing you to express my deep concern that the ongoing review of Federal retirement systems and some of the proposed modifications to these systems will seriously impair our efforts to revitalize and enhance the effectiveness of our foreign intelligence effort.

The Agency has a unique mission requiring special people who are willing to work in a strange and demanding environment. That uniqueness was recognized by Congress back in 1947 when it created CIA and blessed CIA with unique authorities. It again recognized that uniqueness when it passed into law the CIA's retirement system, which at that time was unique in government. If anything, the needs and requirements on the Agency have increased since then, placing great demands on our ability to recruit and retain a vigorous work force.

A good number of our employees, because they must work and live under cover, are at a disadvantage when they retire because they must maintain the history of their cover even when no longer employed. That fact prohibits them from freely discussing their work experience. This, of course, is compounded by the fact that during their careers, a great number of our employees must undertake, for operational reasons, directed assignments to hazardous areas of the world where health as well as personal and family safety is threatened.

Our uniqueness is also a burden to personal freedom, in the sense that our employees are not free to undertake speaking engagements, write books or articles, accept part-time employment or travel overseas without prior approval and certain constraints. Furthermore, unlike most other government employees, Agency employees are subject to the polygraph upon entrance on duty and periodically throughout their careers. Because of cover constraints our employees are not free to participate in all insurance plans, such as the Health Benefit Program, offered to other Federal employees. Needless to say, the burdens and limitations of employment which a CIA employee faces is unmatched elsewhere in the Federal sector.

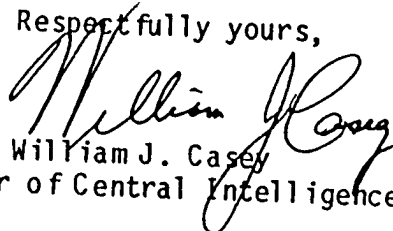
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Because of the uniqueness of our mission, we must employ personnel with highly sought-after skills, from aerospace engineers to economists to computer engineers to scientists to medical doctors. If our benefit package, particularly our retirement system, does not remain fully competitive, we will not be able to hire employees who will permit us to provide this nation with the best in foreign intelligence.

I am sufficiently concerned about the current efforts under way to modify Federal retirement systems to have asked our Director of Personnel to thoroughly review all options to ensure that we are taking the proper steps to protect our present retirement benefits. Based upon the conditions of employment we must demand, I see no alternative at this time but to continue to have CIA employees retire at younger ages than elsewhere in the Federal government at large. Thus, as changes to the Federal retirement systems are considered by the current Administration and passed by the Congress, I ask for your support and assurance that the CIA's special needs be fully recognized in the final Federal retirement package prepared for Congressional action.

You know I fully support your efforts to reduce the cost of government and would not ask for your assistance unless I truly believed the CIA mission required special consideration. The CIA retirement system must be given special consideration and I ask that you support our position with David Stockman.

Respectfully yours,



William J. Casey
Director of Central Intelligence

84-1004/1

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Agency Retirement Systems

FROM:

Director of Personnel

EXTENSION

NO.

DATE

JUN 11 1984

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Deputy Director for
Administration
7D24 Headquarters

19 JUN 1984

2

1 to 5:

DCI:

2.

3. Executive Director
7D24 Headquarters4. Deputy Director of
Central Intelligence5. Director of Central
Intelligence

6.

7.

8.

Recently, the Director of Personnel briefed you on why the Agency's retirement systems need to be unique. As you will recall, we discussed various ways of protecting Agency retirement systems from radical changes proposed by the Administration and Congress. One suggestion was to write a letter to the President stating our case, even though you had previously done this on 24 March 1983. The reason for sending this second letter is to persuade the President to respond by a letter to OMB stating his agreement that we need special consideration. If he agrees to send the attached letter, then our problems with OMB and OPM should be minimized when we present our proposed legislation to Congress.

If you agree with this approach and are willing to sign the letter, the next problem is timing. Is now the best time to send it or just before or after the election? We know the wagons are circle and retirement systems will come under attack by both the Administration and Congress soon after the election.

I recommend you send the letter and its enclosure now.

Harry

Attachment

DDA/HEFitzwater:kmg (19 Jun 84)

Distribution:

Orig PRS - DCI via DDCI w/atts (DDA84-1723 & -/1)

- 1 - ER w/atts
- 1 - DDA Subj w/atts
- 1 - DDA Chrono w/atts
- 1 - D/OP w/atts
- 1 - Comp w/atts
- 1 - D/OLL w/atts
- 1 - HEF Chrono w/o atts

13.

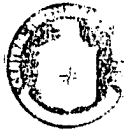
14.

15.

Central Intelligence Agency

DD/A Registry

84-1723



Washington, D.C. 20505

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I am writing you to express my deep concern that the ongoing review of Federal retirement systems and some of the proposed modifications to these systems will seriously impair our efforts to revitalize and enhance the effectiveness of our foreign intelligence effort. As I have learned since becoming the Director of Central Intelligence, retirement systems covering Central Intelligence Agency (CIA) employees must be designed to ensure the Agency's unique work environment is fully recognized. In fact, our retirement systems have been established as one of the significant employee benefits we are able to offer in recruiting and retaining a necessary young, vigorous work force. I would not want this status to be altered by modifications to the Federal retirement systems.

I sincerely believe there is a valid reason that existing CIA retirement programs have been woven into the framework of our special personnel management structure. For instance, the restrictive cover and stringent security conditions of employment do not permit CIA employees to communicate openly at work, social, or family oriented events. They must constantly be on the alert to ensure they protect whatever cover they operate under and do not disclose classified information to unauthorized personnel. Additionally, CIA employees must undertake, for operational reasons, mission-directed assignments to hazardous areas of the world where their health, as well as their personal and family safety, is threatened. CIA employees are not free to undertake speaking engagements, author books or articles, accept part-time employment, or travel overseas without obtaining prior approvals. Unlike most other U.S. Government employees, Agency employees are subject to a polygraph upon entrance on duty and again periodically throughout their careers. For cover reasons, CIA employees are not free to participate in all plans offered in the Federal Employees' Health Benefits Program. In addition to all of the above conditions and limitations, the intelligence mission requires CIA employees to be alert to and on call round-the-clock to meet time-sensitive intelligence demands. As you can see by the above examples, CIA employees must endure burdens and limitations of employment unmatched elsewhere in the Federal sector.

The President

Our competition for the best and the brightest is largely with the private sector. If we do not stay fully competitive in our benefit structure, we will not be able to hire employees who will permit us to have the best foreign intelligence organization in the world. I am sufficiently concerned about the current efforts under way to modify Federal retirement systems to have asked our Director of Personnel to thoroughly review all options to ensure that we are taking the proper steps to protect the present retirement benefits. Based upon the conditions of employment we must demand, I see no alternative at this time but to continue to have CIA employees able to retire at younger ages than elsewhere in the Federal government at large. Thus, as changes to the Federal retirement systems are considered by the current Administration and passed by the Congress, I ask for your support and assurance that the CIA's special needs be fully recognized in the final Federal retirement package prepared for congressional action.

You know I fully support your efforts to reduce the cost of government and would not ask for your assistance unless I truly believed the CIA mission required special consideration. If you agree with me that the CIA retirement systems must be given special consideration in the overall effort, I have enclosed a letter to the Director, Office of Management and Budget for your consideration.

Respectfully yours,

William J. Casey
Director of Central Intelligence

Enclosure

OF/SP/GWOwens/slm/6872 (12 June 1984)

Distribution:

Original - Addressee
1 - ER
2 - DDA
1 - D/OP
2 - DD/Pers/SP
1 - Comp
✓ - D/OLL

84-1723/1

The Honorable David A. Stockman
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Dave:

Bill Casey has advised me of the special concerns he has regarding current efforts to reduce retirement benefits and how they will impact on the Central Intelligence Agency (CIA) and its ability to recruit and maintain the young vigorous work force required to meet foreign intelligence objectives. He described a long-standing Agency policy which necessarily makes CIA retirement programs an integral part of CIA's special personnel management system. That system encourages relatively early retirements to ensure the work force remains capable of meeting the rigorous, demanding, time-sensitive intelligence requirements. He also stressed his desire that these same provisions be retained for CIA as changes to existing Federal retirement systems are considered and implemented.

I am persuaded that there would indeed be a serious impairment to our ongoing efforts to revitalize and enhance CIA's capability if its retirement systems were altered. Accordingly, please work with Bill and his staff to ensure that CIA's special requirements and needs are fully considered and protected in any future modifications to the retirement program.

I have asked Bill to contact you directly on how best to proceed on this issue.

Sincerely,

Ronald Reagan